

To: House Business and Labor Committee
From: Kelsen Young, PO Box 15, Helena, MT 59624, (406) 461-4536
Re: SB 116 – Security freeze authority for consumer credit reports
Date: March 12, 2007

Good morning. Mr. Chairman and members of the committee, for the record my name is Kelsen Young and I speak before you today as a victim of identity theft and rise in support of SB 116. I am representing myself on this legislation. I have been working diligently over the last two years on identity theft issues and participated in the work of the Economic Affairs interim committee and more specifically the identity theft work group. Many of you have seen me in that capacity and I would like to express my gratitude to the members of the Economic Affairs committee and Senator Brueggeman for sponsoring this legislation.

I heard someone say the other day that identity theft is a victimless crime. I can assure you it is not. I would like to start by briefly telling my story of how I became a victim of identity theft. For those of you who have already heard the story, I apologize. A little over three years ago, in September of 2003, I was moving home from Washington State to Montana. I had packed up all of my personal and household belongings into a Uhaul truck preparing to head home to Montana. After a long day of packing, I decided to stop at a hotel in a suburb of Seattle. I parked the Uhaul in the hotel parking lot. The next morning, I got out of bed, looked out the window, and saw that the Uhaul had disappeared.

Turns out, the entire Uhaul truck had been stolen during the night. A day later, it was found abandoned in a parking lot a few miles from the hotel, it was completely empty. Every last belonging I had was gone. Despite this tremendous loss, I headed home to Montana that same day with the help of family and friends.

As you can imagine, this was a horrible situation. Only made worse a few days later when I discovered that the thieves had also stolen my identity. The most important thing I lost that day was a filing cabinet full of personal information, which resulted in the loss of my identity. They had every last piece of identifying information you can imagine, including old checks, an ATM card, birth certificate, etc. Imagine what you might have in your filing cabinet at home? What if that filing cabinet was stolen?

The details of the theft of my identity and what happened in the months after would take me hours to explain. In regards to this legislation, I would highlight the fact that even 3 ½ years later there is still information on my credit reports I am trying to have removed. Once your identity is stolen, it's gone forever. Who knows how many Kelsen Young's there are out there using my social security number or some other personal identifier? What I'd like to make very clear to the committee today, is the impact losing your identity has on your life and the importance of doing anything we can to help remedy the situation for victims and provide others with preventative measures.

SB 116 provides protections for victims of identity theft and helps to prevent identity theft for those people lucky enough to have not yet experienced this new crime. This bill has been through over a year and a half of negotiations. Many compromises have been

made and interested parties have come together. I would like to highlight a few aspects of the bill that are particularly important for victims of identity theft.

First, in new section 3, it requires that a security freeze be placed on a credit report within 5 days for the average consumer, and 24 hours for the victim of identity theft. The credit reporting agencies have expressed concern with the 24 hour requirement. I would ask that the committee maintain the 24 hour time frame. It is essential that victims of identity theft have the freeze placed on as soon as possible. The quick placement of the freeze has the potential to limit the ability of identity thieves to open new accounts in the victim's name in those first few days and weeks after the identity has been stolen.

Second, in section 10 fees for this service are addressed. The issue of fees has been contentious throughout the development of this legislation. I am personally against the fees as I believe the consumer reporting agencies are making significant profits off of consumers currently, and that consumers have a right to place these freezes without the process being tripped up by fees. I think the fees proposed in the current bill text are reasonable, but the process for paying the fees is problematic and will discourage consumers from using this program. It is important that there not be a fee for victims of identity theft, which is still maintained in the current bill. Please note that a victim is required to send a copy of a police report or other documentation in order to qualify.

A few other things I want to mention in case other proponents do not. The placement of a security freeze does NOT affect a consumer's relationship with their current creditors. If I had a security freeze on my account, my current banking, credit card, housing, etc. relationships would still have access to my credit report. I would still be accountable for current debts and businesses would still be able to access my credit history. It also does not prevent a consumer from having access to their own credit report and monitoring it through the various services that are available. The freeze would simply prevent any NEW accounts from being opened in my name without me having "unlocked" my credit report.

The ability for a consumer to place a security freeze on their credit report is essential in the fight against identity theft. Other proponents will surely testify to the vast numbers of people affected by identity theft. From a personal perspective, I would not wish the time and suffering on another person that I have endured. The crime of identity theft will continue despite this legislation, but with a security freeze in place the thieves will not be able to open new accounts in your name, saving you hours of work and jumping through hoops to remove the negative information on your credit reports. Again, it is 3 ½ years after losing my identity and my credit reports are still not clean.

In closing, this legislation presents an opportunity for you to indicate your support and commitment to the citizens of Montana who have experienced identity theft and to help prevent it from happening to others. I am happy to answer questions from the committee. Thanks for your time.